

**UNITED STATES OF AMERICA**  
**Before The**  
**OFFICE OF THRIFT SUPERVISION**

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In the Matter of )

OTS Order No.: SF-05-001

**JAVIER E. PIZARRO,** )

Date: January 6, 2005

A Former Employee )  
and Institution-Affiliated Party of )

**WASHINGTON MUTUAL BANK, FA,** )  
Stockton, California. )  
(OTS No. 08551) )  
\_\_\_\_\_ )

**STIPULATION AND CONSENT TO**  
**ISSUANCE OF AN ORDER OF PROHIBITION**

**WHEREAS**, the Office of Thrift Supervision (OTS), based upon information derived from the exercise of its regulatory responsibilities, has informed Javier E. Pizarro (PIZARRO), a former employee of Washington Mutual Bank, FA, Stockton, California (Washington Mutual), that the OTS is of the opinion that the grounds exist to initiate prohibition proceedings against PIZARRO pursuant 12 U.S.C. § 1818(c).<sup>1</sup>

**WHEREAS**, PIZARRO desires to cooperate with the OTS to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, hereby stipulates and agrees to the following terms:

\_\_\_\_\_  
<sup>1</sup>All references in this Stipulation and Consent and the Order of Prohibition are to the U.S.C. as amended.

1. Jurisdiction.

(a) Washington Mutual, at all times relevant hereto, was a "savings association" within the meaning of 12 U.S.C. § 1813(b), and Section 2(4) of the Home Owners' Loan Act, 12 U.S.C. § 1462(4). Accordingly, Washington Mutual is an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

(b) PIZARRO, as a former employee of Washington Mutual, is deemed to be an "institution-affiliated party" as that term is defined in 12 U.S.C. § 1813(u), having served in such capacity within six years of the date hereof (see 12 U.S.C. § 1818(i)(3)).

(c) Pursuant to 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" with jurisdiction to maintain an enforcement proceeding against institution-affiliated parties. Therefore, PIZARRO is subject to the authority of the OTS to initiate and maintain prohibition proceedings against him pursuant to 12 U.S.C. § 1818(e).

2. OTS Findings of Fact. The OTS finds that while employed as a financial center manager for Washington Mutual, PIZARRO misapplied approximately \$68,000 of the funds of Washington Mutual by causing Washington Mutual to honor his personal checks drawn on another bank that were supported by insufficient funds. By this action, PIZARRO: (1) engaged in a violation of the law or breached his fiduciary duty to Washington Mutual; and (2) Washington Mutual suffered a financial loss and/or PIZARRO received a financial benefit or other gain (regardless of whether or not restitution was subsequently made); and (3) the violation of law or breach of fiduciary duty involved personal dishonesty.

3. Consent. PIZARRO consents to the issuance by the OTS of the accompanying Order of Prohibition (Order). He further agrees to comply with its terms upon issuance and stipulates that the Order complies with all requirements of law.

4. Finality. The Order is issued by the OTS under the authority of 12 U.S.C. § 1818(e). Upon its issuance by the Regional Director or designee for the West Region, OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

5. Waivers. PIZARRO waives the following:

(a) the right to be served with a written notice of the OTS's charges against him (referred to as Notice of Intention to Prohibit, see 12 U.S.C. § 1818(e));

(b) the right to an administrative hearing of the OTS's charges against him as provided by 12 U.S.C. § 1818(e);

(c) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order;

(d) any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, the Equal Access to Justice Act, 5 U.S.C. § 504 or 28 U.S.C. § 2412; and

(e) the right to assert this proceeding, his consent to issuance of the Order, and/or the issuance of the Order, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other governmental entity.

6. Indemnification. PIZARRO shall neither cause nor permit Washington Mutual (or any successor institution, holding company, subsidiary, or service corporation thereof) to incur, directly or indirectly, any expense for any legal or other professional expenses incurred relative to the negotiation and issuance of the Order. Nor shall PIZARRO obtain any indemnification (or other reimbursement) from the Institution (or any successor institution, holding company, subsidiary, or service corporation thereof) with respect to such amounts. Any such payments

received by or on behalf of PIZARRO in connection with this action shall be returned to Washington Mutual (or the successor institution, holding company, subsidiary, or service corporation thereof).

7. Other Government Actions Not Affected.

(a) PIZARRO acknowledges and agrees that the consent to the entry of the Order is for the purpose of resolving this prohibition action only, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of PIZARRO that arise pursuant to this action or otherwise, and that may be or have been brought by any other government entity other than the OTS.

(b) By signing this Stipulation, PIZARRO agrees that he will not assert this proceeding, his consent to the entry of the Order, and/or the entry of the Order, as the basis for a claim of double jeopardy in any pending or future proceeding by the United States Department of Justice or any other Federal or state governmental entity.

8. Acknowledgment of Criminal Sanctions. PIZARRO acknowledges that 12 U.S.C. § 1818(j), sets forth criminal penalties for knowing violations of the Order.

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WHEREFORE, PIZARRO executes this Stipulation and Consent to Issuance of an Order of Prohibition, intending to be legally bound hereby.

By:

Accepted by:

Office of Thrift Supervision

/s/

JAVIER E. PIZARRO

/s/

Michael E. Finn  
Regional Director  
West Region

Date: 12/30/04

Date: 1/6/05

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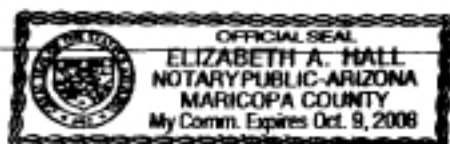
State of Arizona

County of Maricopa

On this 30<sup>th</sup> day of December, 2004, before me, the undersigned notary public, personally appeared JAVIER E. PIZARRO and acknowledged his execution of the foregoing STIPULATION AND CONSENT TO ISSUANCE OF AN ORDER OF PROHIBITION.

Elizabeth A. Hall  
Notary Public

My commission expires:



(pizarro wamu proh stip c:\ft)

Javier E. Pizarro  
Washington Mutual Bank, FA  
Stipulation & Consent to Order of Prohibition

**UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION**

In the Matter of	)	
	)	OTS Order No.: <u>SF-05-001</u>
	)	
<b>JAVIER E. PIZARRO,</b>	)	Date: <u>January 6, 2005</u>
	)	
A former Employee	)	
and Institution-Affiliated Party of	)	
	)	
<b>WASHINGTON MUTUAL BANK, FA,</b>	)	
Stockton, California.	)	
(OTS No. 08551)	)	
	)	

**CONSENT ORDER OF PROHIBITION**

**WHEREAS, Javier E. Pizarro (PIZARRO) has executed a Stipulation and Consent to Issuance of an Order of Prohibition (Stipulation) on December 30, 2004; and**

**WHEREAS, PIZARRO, by his execution of the Stipulation, has consented and agreed to the issuance of this Order of Prohibition (Order) by the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. § 1818(c).**

**NOW THEREFORE, IT IS ORDERED that:**

1. PIZARRO is prohibited from further participation, in any manner, in the conduct of the affairs of Washington Mutual Bank, FA, (Washington Mutual), and any successor institution, holding company, subsidiary, and/or service corporation thereof.

2. PIZARRO is and shall be subject to the statutory prohibitions provided by 12 U.S.C. § 1818(e), except upon the prior written consent of the OTS (acting through its Director

or an authorized representative thereof) and any other "appropriate Federal financial institutions regulatory agency," for purposes of 12 U.S.C. § 1818(e)(7)(B)(ii), shall not:

(a) hold any office in, or participate in any manner in the conduct of the affairs of, any institution or agency specified in 12 U.S.C. § 1818(e)(7)(A), including, but not limited to:

(i) any insured depository institution, e.g., savings and loan associations, savings banks, national banks, trust companies, and other banking institutions;

(ii) any institution treated as an insured bank under 12 U.S.C. §§ 1818(b)(3) and 1818(b)(4), or as a savings association under 12 U.S.C. § 1818(b)(9), e.g., subsidiaries and holding companies of banks or savings associations;

(iii) any insured credit union under the Federal Credit Union Act, 12 U.S.C. § 1781 et seq.;

(iv) any institution chartered under the Farm Credit Act of 1971, 12 U.S.C. § 2001 et seq.;

(v) any appropriate Federal depository institution regulatory agency, within the meaning of 12 U.S.C. § 1818(e)(7)(A)(v); and

(vi) the Federal Housing Finance Board and any Federal Home Loan Bank;

(b) solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in 12 U.S.C. § 1818(e)(7)(A);

(c) violate any voting agreement previously approved by the "appropriate Federal banking agency" within the meaning of 12 U.S.C. § 1813(q); or

(d) vote for a director, or serve or act as an "institution-affiliated party," as that term is defined at 12 U.S.C. § 1813(u), e.g., a director, officer, employee, controlling stockholder of, or agent for, an insured depository institution.

3. The Stipulation is made a part hereof and is incorporated herein by this reference.

4. This Order is subject to the provisions of 12 U.S.C. § 1818(j), and shall become effective on the date it is issued.

5. PIZARRO shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

6. The terms and provisions of the order shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest.

**OFFICE OF THRIFT SUPERVISION**

By: /S/  
Michael E. Finn  
Regional Director  
West Region

(Pizarro Waiver prob ord c/vt)

Javier E. Pizarro  
Washington Mutual Bank, FA  
Consent Order of Prohibition